BEFORE THE
CALIFORNIA BOARD OF ACCOUNTANCY
DEPARTMENT OF CONSUMER AFFAIRS
STATE OF CALIFORNIA

In the Matter of the Accusation Against: DANIEL P. DEGNAN 889 W. San Carlos Street San Jose, CA 95126 Certified Public Accountant Certificate No. 32446, Respondent.	Case No. AC-2002-12 **DEFAULT DECISION AND ORDER** [Gov. Code § 11520]

The Accusation in Case No. AC-2002-12, Statement to Respondent, Notice of Defense forms, copies of Government Code sections 11507.5, 11507.6, and 11507.7, and Request for Discovery were mailed to respondent Daniel P. Degnan ("respondent" or "Degnan") by both certified mail and first class mail on May 30, 2002, at his address of record as provided in Government Code sections 11503 and 11505. Thereafter, a certified mail return receipt dated May 31, 2002, was received indicating receipt of the materials indicated above.

Respondent failed to file a Notice of Defense within the time allowed by Government Code section 11506. The California Board of Accountancy has therefore determined that respondent Degnan is in default and has waived his rights to a hearing to contest the merits of the Accusation. The California Board of Accountancy will therefore take action on the Accusation against respondent Degnan based on the declarations and other evidence on file with the California Board of Accountancy, and makes the following findings of fact.

FINDINGS OF FACT

1. Carol Sigmann (Complainant) brought this Accusation solely in her official capacity as the Executive Officer of the California Board of Accountancy, Department of Consumer Affairs.

2. On or about August 1, 1981, the California Board of Accountancy issued Certified Public Accountant Certificate No. 32446 to Daniel P. Degnan (Respondent). The Certified Public Accountant Certificate expired on February 29, 2000, and has not been

renewed.

3. This Accusation was brought before the California Board of Accountancy (Board), under the authority of the following sections of the Business and Professions Code (Code).

4. Section 5100 of the Code provides in pertinent part that the Board may, after notice and hearing, revoke, suspend or refuse to renew any permit or certificate granted under Article 4 (commencing with Section 5070) and Article 5 (commencing with Section 5080), or may censure the holder of that permit or certificate for unprofessional conduct.

5. Section 5100(f) of the Code provides in pertinent part that willful violation of any provision of the Accountancy Act or any rule or regulation promulgated by the Board constitutes unprofessional conduct.

6. Section 5050 of the Code, a provision of the Accountancy Act, provides in pertinent part that no person shall engage in the practice of public accountancy in this State unless such person is the holder of a valid permit to practice public accountancy issued by the Board.

7. Section 5051 of the Code, a provision of the Accountancy Act, provides in pertinent part that the practice of public accountancy includes, but is not limited to, holding out to the public as one skilled, qualified and ready to render professional services as a public accountant for compensation, maintaining an office for the transaction of business as a public accountant, and preparing or signing tax returns for clients as the tax preparer.

8. Title 16, California Code of Regulations section 3(a)(1) provides in pertinent part that each licensee shall notify the Board of any change in his or her address of record within thirty (30) days of the change.

9. Section 118, subdivision (b), of the Code provides that the expiration of a license shall not deprive the Board of jurisdiction to proceed with a disciplinary action during the period within which the license may be renewed, restored, reissued or reinstated.

10. Section 5070.6 provides in pertinent part that an expired license may be renewed at any time within five (5) years of expiration, under the conditions as set forth therein.

11. On or about September, 2000, despite the fact that respondent's permit to practice public accountancy had expired on February 29, 2000, respondent held himself out as a certified public accountant and entered into an engagement for professional accounting services to prepare the personal federal and State income tax returns for tax year 2000 for client number 1, a married couple. Thereafter, respondent obtained various tax records, documents, and other accounting records from client number 1 for the preparation of client number 1's personal income taxes, including stock certificates and other materials necessary for establishing the basis for tax accounting purposes of certain stock sold by client number 1 during tax year 2000. Despite representations by respondent that no filing extension would be necessary, respondent failed to complete client number 1's personal income tax returns prior to the April 15 deadline, and an extension to August 15, 2001, was obtained. Respondent ultimately presented client number 1 with a prepared personal income tax return and billed client number 1 for professional accounting services in the amount of five hundred dollars ($500) on or about August 14, 2001.

12. On or about February, 2002, again, despite the fact that respondent's permit to practice public accountancy had expired on February 29, 2000, respondent held himself out as a certified public accountant and entered into an engagement for professional accounting services to prepare the personal federal and State income tax returns for tax year 2001 for client number 2, a married couple. Thereafter, respondent obtained various tax records, documents, and other accounting records from client number 2 for the preparation of client number 2's personal income taxes. On or about February 23, 2002, respondent provided client number 2 with a prepared personal federal income tax return accompanied by professional advice concerning the filing of the return and the maintenance of financial records.

13. On or about November, 2001, respondent relocated his offices from his address of record at 1975 Hamilton Avenue, No. 24, San Jose, California to 889 W. San Carlos Street, San Jose, California. Thereafter, respondent failed to provide notice to the Board of his new address as required by Title 16, California Code of Regulations section 3(a)(1) until on or about February 27, 2002.

14. On or about February 28, 1997, in a prior action, the California Board of Accountancy issued Citation No. CT-97-103 and ordered Respondent to cease immediately the unpermitted practice of public accountancy, provide documentary proof of compliance with the Board's continuing education requirements, and pay administrative fines in the amount of two thousand five hundred dollars ($2,500). Respondent complied with the requirements of Citation No. CT-97-103, which citation is now final and is incorporated by reference as if fully set forth herein.

DETERMINATION OF ISSUES

Based on the foregoing findings of fact, respondent's conduct as set forth herein constitutes a violation of Code section 5050 and therefore constitutes unprofessional conduct within the meaning of Code section 5100(f) and also constitutes a violation of Title 16, California Code of Regulations section 3(a)(1), which violation constitutes a further and independent finding of unprofessional conduct within the meaning of Code section 5100(f).

LOCATION OF RECORD

The administrative record upon which this Default Decision is based is located at the California Board of Accountancy, 2000 Evergreen Street, Suite 250, Sacramento, CA 95815.

ORDER

WHEREFORE, for the aforesaid causes, the California Board of Accountancy makes the following order:

Certified Public Accountant Certificate No. 32446 issued to Daniel P. Degnan is revoked.

This Decision shall become effective on August 25, 2002.

IT IS SO ORDERED.

DATED: July 26, 2002

DAVID SHARAFATIAN, Board President
CALIFORNIA BOARD OF ACCOUNTANCY
DEPARTMENT OF CONSUMER AFFAIRS
STATE OF CALIFORNIA

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Attorneys for Complainant

BEFORE THE
CALIFORNIA BOARD OF ACCOUNTANCY
DEPARTMENT OF CONSUMER AFFAIRS
STATE OF CALIFORNIA

In the Matter of the Accusation Against: DANIEL P. DEGNAN 889 W. San Carlos Street San Jose, CA 95126 Certified Public Accountant Certificate No. 32446, Respondent.	Case No. AC-2002-12 **ACCUSATION**

Complainant alleges:

PARTIES

1. Carol Sigmann (Complainant) brings this Accusation solely in her official capacity as the Executive Officer of the California Board of Accountancy, Department of Consumer Affairs.

2. On or about August 1, 1981, the California Board of Accountancy issued Certified Public Accountant Certificate No. 32446 to Daniel P. Degnan (Respondent). The Certified Public Accountant Certificate expired on February 29, 2000, and has not been renewed.

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JURISDICTION

3. This Accusation is brought before the California Board of Accountancy (Board), under the authority of the following sections of the Business and Professions Code (Code).

4. Section 5100 of the Code provides in pertinent part that the Board may, after notice and hearing, revoke, suspend or refuse to renew any permit or certificate granted under Article 4 (commencing with Section 5070) and Article 5 (commencing with Section 5080), or may censure the holder of that permit or certificate for unprofessional conduct.

5. Section 5100(f) of the Code provides in pertinent part that willful violation of any provision of the Accountancy Act or any rule or regulation promulgated by the Board constitutes unprofessional conduct.

6. Section 5050 of the Code, a provision of the Accountancy Act, provides in pertinent part that no person shall engage in the practice of public accountancy in this State unless such person is the holder of a valid permit to practice public accountancy issued by the Board.

7. Section 5051 of the Code, a provision of the Accountancy Act, provides in pertinent part that the practice of public accountancy includes, but is not limited to, holding out to the public as one skilled, qualified and ready to render professional services as a public accountant for compensation, maintaining an office for the transaction of business as a public accountant, and preparing or signing tax returns for clients as the tax preparer.

8. Title 16, California Code of Regulations section 3(a)(1) provides in pertinent part that each licensee shall notify the Board of any change in his or her address of record within thirty (30) days of the change.

9. Section 118, subdivision (b), of the Code provides that the expiration of a license shall not deprive the Board of jurisdiction to proceed with a disciplinary action during the period within which the license may be renewed, restored, reissued or reinstated.

10. Section 5070.6 provides in pertinent part that an expired license may be renewed at any time within five (5) years of expiration, under the conditions as set forth therein.

11. Respondent is guilty of unprofessional conduct within the meaning of Code section 5100(f) as more particularly set forth herein below.

FIRST CAUSE FOR DISCIPLINE
(Practicing without Valid Permit)
(Bus. & Prof. Code §§ 5050, 5100(f))

Client No. 1[1]

12. On or about September, 2000, despite the fact that respondent's permit to practice public accountancy had expired on February 29, 2000, respondent held himself out as a certified public accountant and entered into an engagement for professional accounting services to prepare the personal federal and State income tax returns for tax year 2000 for client number 1, a married couple. Thereafter respondent obtained various tax records, documents, and other accounting records from client number 1 for the preparation of client number 1's personal income taxes, including stock certificates and other materials necessary for establishing the basis for tax accounting purposes of certain stock sold by client number 1 during tax year 2000. Despite representations by respondent that no filing extension would be necessary, respondent failed to complete client number 1's personal income tax returns prior to the April 15 deadline, and an extension to August 15, 2001, was obtained. Respondent ultimately presented client number 1 with a prepared personal income tax return and billed client number 1 for professional accounting services in the amount of five hundred dollars ($500) on or about August 14, 2001.

13. Respondent's conduct in holding himself out as a certified public accountant, without holding a valid permit, and providing and billing for professional accounting services after his permit expired on February 29, 2000, as set forth in paragraph 12, above, constitutes the practice of public accountancy without a valid permit therefor in violation of Code section 5050 and therefore unprofessional conduct within the meaning of Code section 5100(f).

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1. The full names of all persons referred to herein will be made available to respondent upon a timely request for discovery.

Client No. 2

14. On or about February, 2002, again, despite the fact that respondent's permit to practice public accountancy had expired on February 29, 2000, respondent held himself out as a certified public accountant and entered into an engagement for professional accounting services to prepare the personal federal and State income tax returns for tax year 2001 for client number 2, a married couple. Thereafter respondent obtained various tax records, documents, and other accounting records from client number 2 for the preparation of client number 2's personal income taxes. On or about February 23, 2002, respondent provided client number 2 with a prepared personal federal income tax return accompanied by professional advice concerning the filing of the return and the maintenance of financial records.

15. Respondent's conduct in holding himself out as a certified public accountant, without holding a valid permit, and providing professional accounting services after his permit expired on February 29, 2000, as set forth in paragraph 14, above, constitutes the practice of public accountancy without a valid permit therefor in violation of Code section 5050 and therefore unprofessional conduct within the meaning of Code section 5100(f).

SECOND CAUSE FOR DISCIPLINE
(Failure to Provide Notice of Address Change)
(16 CCR § 3(a)(1), Bus. & Prof. Code § 5100(f))

16. On or about November, 2001, respondent relocated his offices from his address of record at 1975 Hamilton Avenue, No. 24, San Jose, California to 889 W. San Carlos Street, San Jose, California. Thereafter, respondent failed to provide notice to the Board of his new address as required by Title 16, California Code of Regulations section 3(a)(1) until on or about February 27, 2002.

17. Respondent's conduct as set forth in paragraph 16, above, constitutes unprofessional conduct within the meaning of Code section 5100(f).

PRIOR DISCIPLINE

18. To determine the degree of discipline, if any, to be imposed on Respondent, Complainant alleges that on or about February 28, 1997, in a prior action, the California Board of Accountancy issued Citation No. CT-97-103 and ordered Respondent

to cease immediately the unpermitted practice of public accountancy, provide documentary proof of compliance with the Board's continuing education requirements, and pay administrative fines in the amount of two thousand five hundred dollars ($2,500). Respondent complied with the requirements of Citation No. CT-97-103, which citation is now final and is incorporated by reference as if fully set forth herein.

PRAYER

WHEREFORE, Complainant requests that a hearing be held on the matters herein alleged and that, following the hearing, the California Board of Accountancy issue a decision:

1. Revoking, suspending or otherwise imposing discipline on Certified Public Accountant Certificate No. 32446, issued to Daniel P. Degnan; and

2. Taking such other and further action as may be deemed necessary or proper.

DATED: 5/23/02

Carol Sigmann

CAROL SIGMANN
Executive Officer
California Board of Accountancy
Department of Consumer Affairs
State of California

Complainant

TATE OF CALIFORNIA — STATE AND CONSUMER SE CES AGENCY

Consumer Affairs

BOARD OF ACCOUNTANCY
2000 EVERGREEN STREET, SUITE 250
SACRAMENTO, CA 95815-3862
(916) 263-3680

Citation No. CT-97-103
License No. CPA 32446

Daniel Patrick Degnan
1062 Willow Street
San Jose, CA 95125

An investigation has been conducted by the California Board of Accountancy. This citation is hereby issued to you pursuant to the Board of Accountancy's authority under Sections 125.9 and 5100 of the Business and Professions Code and Rule 95 - 95.6 of Title 16, Chapter 1 of the California Code of Regulations (hereinafter "Board Rules") for the violation(s) which were found during the investigation.

This citation details each violation charged and orders of correction where applicable. IT IS YOUR RESPONSIBILITY TO READ THE ENTIRE CITATION.

Unless contested, this citation shall become a final order of the Board on March 28, 1997; the Order of Correction is due on or before March 28, 1997, and the administrative fine totaling $2,500 is due on or before March 28, 1997.

You are responsible for notifying the Board of Accountancy when correction is made. Proof of correction must be received at the above address no later than five (5) working days after the correction due date.

Payment of the administrative fine should be made payable to the State Board of Accountancy by cashier's check or money order. Please include the citation number on the payment and on all correspondence.

FAILURE TO RESPOND TO THIS CITATION WILL RESULT IN FURTHER DISCIPLINARY ACTION AGAINST YOUR LICENSE.

February 28, 1997
Date

CAROL SIGMANN
Executive Officer
STATE BOARD OF ACCOUNTANCY

CS:adw

Item No. 1

Section(s) Violated:

Business and Professions Code, Division 3, Chapter 1, Article 3, **SECTION 5050:**

"No person shall engage in the practice of public accountancy in this State unless such person is the holder of a valid permit to practice public accountancy issued by the board; provided, however, that nothing in this chapter shall prohibit a certified public accountant or a public accountant of another state, or any accountant of a foreign country lawfully practicing therein, from temporarily practicing in this State on professional business incident to his regular practice in another state or country."

Description of Violation:

During the period from at least July 1995 to present, Daniel Patrick Degnan has engaged in the practice of public accountancy without a valid permit in violation of Business and Professions Code Section 5050.

Order of Abatement:

Pay the administrative fine as set forth in the citation.

Cease and desist practicing as a Certified Public Accountant in California immediately.

Order of Correction:

Complete and return the enclosed CE Deficiency Notice for the renewal period ending February 28, 1994.

Complete and return the enclosed renewal form with the appropriate fees for the renewal period ending February 29, 1996. Execute certification and supply evidence of completion to support 80 hours of continuing education.

Time to Correct:

30 days

Administrative Fine:

$1250

Item No. 2

Section(s) Violated:	Business and Professions Code, Division 3, Chapter 1, Article 3, **SECTION 5055:** "Any person who has received from the board a certificate of certified public accountant and holds a valid permit to practice under the provisions of this chapter shall be styled and known as a "certified public accountant" and may also use the abbreviation "C.P.A." No other person, except a partnership registered under Sections 5072 and 5073, shall assume or use that title, designation, or abbreviation or any other title, designation, sign, card or device tending to indicate that the person using it is a certified public accountant."
Description of Violation:	During the period from at least July 1995 to present, Daniel Patrick Degnan has represented himself as a Certified Public Accountant without a valid permit in violation of Business and Professions Code Section 5055.
Order of Abatement:	Pay the administrative fine as set forth in the citation.
Order of Correction:	N/A
Time to Correct:	N/A
Administrative Fine:	$250

Item No. 3

Section(s) Violated:	**California Code of Regulations, Title 16, Division 1. State Board of Accountancy, Article 12, Section 87:** "(a) 80 Hours. A licensee shall not engage in public practice as defined in Business and Professions Code Section 5051 or any activities referred to in Rule 5, in California, unless during the two-year period immediately preceding permit renewal the licensee has completed at least 80 hours of qualifying continuing education and submitted the statement required by Section 89. No carryover is permitted from one two-year period to another. . . ."
Description of Violation:	Daniel Patrick Degnan has engaged in the practice of public accounting from at least July 1995 to present without having completed the qualifying continuing education, as required by California Code of Regulations Section 87.
Order of Abatement:	Pay the administrative fine as set forth in the citation. Cease and desist practicing as a Certified Public Accountant in California immediately.
Order of Correction:	Provide the Board of Accountancy acceptable documentation to support 80 hours of continuing education completed for the renewal periods ending February 28, 1994, and February 29, 1996. Failure to submit satisfactory evidence within 30 days shall be cause for the Board to change the license status of Daniel Patrick Degnan to "inactive." Thereafter, the license of Daniel Patrick Degnan will remain "inactive," and Daniel Patrick Degnan may not practice as a Certified Public Accountant in California until such time as he has met all necessary requirements set forth in California Code of Regulations, Title 16, Article 12, Section 87.1 - Reentry.
Time to Correct:	30 days
Administrative Fine:	$1000